

**Remarks**

Reconsideration and further examination of the subject patent application in light of the submitted Remarks is respectfully requested.

**Introductory Remarks Regarding The Claims**

Claims 35-47 are pending in the application. Claims 35 and 41 are independent. There are no amendments to the claims herein.

**Claims Rejections Under 35 U.S.C. §103**

*The Examiner has rejected claims 35-37 and 41-47 under 35 U.S.C. 103(a) as being unpatentable over US 6,236,981 (Hill) in view of US 5,839,119 (Krsul et al. – hereinafter Krsul)*

Applicant has reviewed the previously cited Hill reference and submitted remarks. To revisit, Hill requires one or both of the buyer and seller to maintain an active connection with the token provider during the transaction. See, for example, the merchant requiring an open connection to the payment service at column 6, lines 21-25 and the required user activation for the QuickPay client at column 8, lines 24-43. Applicant's claimed method does not require a connection to the token provider during the transaction.

With respect to the Krsul reference, Applicant notes that (column 5, lines 59-67) the Krsul method requires that the buyer is restricted to using the token halves with a specific seller. While Krsul does permit for a transaction to occur without requiring a connection to the token provider, given the limitation to a single buyer and seller for a token, it is difficult to logically extend

the Krsul system to generic use tokens, and given the description of the token construction (breaking a token in half) and requirements (buyer and seller each have a half), it does not appear possible. By contrast, Applicant's claimed method allows the buyer to use tokens with any seller, eliminating the Krsul restrictions.

Also, in Krsul, the tokens are not canceled, but rather they are destroyed, as the original token is split into two halves, and the token provided by the buyer is merged with the token held by the seller, to recreate the original token to confirm payment. This method is substantially different from Applicant's method, where the token itself is cancelled, and is not required to pass into the possession of the seller. Thus, Krsul does not supply any of missing elements of Hill when compared to the applicant's invention. Any combination of Hill and Krsul would still not contain all of the applicant's limitations, nor is there any suggestion to combine their respective features. It is respectfully submitted that it is impermissible to combine the teaching of prior art to produce the claimed invention absent some teaching or suggestion supporting the combination: In re Fritch, 23 U.S.P.Q.2d 1780, 1783 (Fed. Cir. 1992). The Examiner cannot pick and choose features from the prior art to recreate the claimed invention in hindsight without some teaching or suggestion in the references to support use of the particular claimed combination: Smithkline Diagnostics Inc., v. Helena Laboratories Corp., 8 U.S.P.Q.2d 1468, 1475 (Fed. Cir. 1988). In considering whether providing the applicant's method would have been obvious to one skilled in the art at the time of applicant's invention, the claimed invention must be considered as a whole. The question is whether there is something in the prior art as a whole to suggest the desirability, and thus the obviousness to one of ordinary skill in the art, of making applicant's claimed invention: Lindemann Maschinenfabrik GmbH v. American Hoist and Derrick, 730 F.2d 1452, 1462 (Fed. Cir. 1984). In

the present case, neither of the references, taken either individually or in combination, suggests applicant's claimed method.

Applicant submits that the claimed method is patentable over a combination of Hill and Krsul for the reasons discussed above. Further, Applicant respectfully submits that, given the widely differing nature of the methods disclosed in Hill and Krsul, there is no motivation to combine the two, nor is there any suggestion as to how such a combination may be achieved.

*The Examiner has rejected claims 38-40 under 35 U.S.C. 103(a) as being unpatentable over Hill in view of Krsul and further in view of the Business Wire article "Subscriber Computing Inc. Installs Real-Time Information System Suite for Douglas telecommunications Inc.", Nov. 19, 1997 (hereinafter Subscriber).*

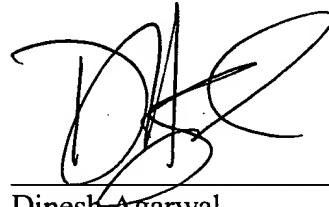
Applicant respectfully submits that in light of the remarks above, which set out that claim 35 is patentable over Hill and Krsul, this objection to the dependent claims 38-40 no longer applies.

#### Closing Remarks

For the foregoing reasons, applicant submits that the subject application is in condition for allowance and earnestly solicits an early Notice of Allowance. Should the Examiner be of the opinion that a telephone conference would expedite prosecution of the subject application, the Examiner is respectfully requested to call the undersigned at the below-listed number.

The Commissioner is hereby authorized to charge any additional fee which may be required for this application under 37 C.F.R. §§ 1.16-1.18, including but not limited to the issue fee, or credit any overpayment, to Deposit Account No. 01-0433. Should no proper amount be enclosed herewith, as by a check being in the wrong amount, unsigned, post-dated, otherwise improper or informal, or even entirely missing, the Commissioner is authorized to charge the unpaid amount to Deposit Account No. 01-0433.

Respectfully submitted,



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